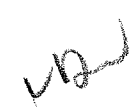


BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2000-0204-C - ORDER NO. 2000-674

AUGUST 21, 2000

IN RE: Application of HBD Telecom, Inc., d/b/a H & B Paging, for a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services in Certain Geographic Areas within the State.)	
)	ORDER
)	GRANTING
)	CERTIFICATE



This matter comes before the Public Service Commission of South Carolina (the “Commission”) by way of the Application of HBD Telecom, Inc. d/b/a H & B Paging (hereinafter referred to as “HBD Telecom” or the “Company”) requesting a Certificate of Public Convenience and Necessity to provide local exchange telecommunications services in certain geographic areas within the State. More specifically, HBD Telecom intends to offer both business and residential customers local telecommunications services in the geographic areas of Horry and Georgetown counties of the State of South Carolina. The Company’s Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1999) and Section 253 of the Telecommunications Act of 1996.

By letter, the Commission’s Executive Director instructed HBD Telecom to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The proposed Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. HBD Telecom complied with this instruction and provided the Commission with proof of publication

of the Notice of Filing. A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC") on June 30, 2000.

On July 19, 2000, counsel for SCTC filed with the Commission a Stipulation in which HBD Telecom stipulated that it would seek authority in non-rural local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until HBD Telecom provided written notice of its intent prior to the date of the intended service. HBD Telecom also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. HBD Telecom agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to HBD Telecom to provide local services provided the conditions contained in the Stipulation are met. The Stipulation was entered into the evidence of the hearing, and the Staff requested that the Stipulation be approved by the Commission. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on August 2, 2000, at 12:00 p.m., in the Commission's Hearing Room. The Honorable William Saunders, Chairman, presided. HBD Telecom was represented by William I. Diggs, Esquire. Jocelyn D. Green, Staff Counsel, represented the Commission Staff.

Brandi Scott Diggs, General Manager of Operations for HBD Telecom, appeared and testified in support of the Application. Upon receiving certification from the Commission, HBD Telecom seeks to offer local exchange telecommunications services in the geographic areas of

Horry and Georgetown counties of the State of South Carolina. HBD Telecom has entered into an interconnection agreement with GTE South, Inc. According to the testimony, the interconnection agreement has been filed with the Commission. More specifically, HBD Telecom seeks to offer voice grade local exchange access line with a telephone number and dial tone; local calling; access to long distance carriers; 911 and E-911 emergency dialing; access to service codes such as 800, 888, and 900 numbers; use of AIN services; and end user private line services.

Mrs. Diggs addressed HBD Telecom's managerial, financial, and technical ability to provide local exchange telecommunications services in South Carolina. Mrs. Diggs explained her background and other officers of the Company's background in telecommunications. HBD Telecom was incorporated in South Carolina. The Company is an assignee of H & B Paging, a sole proprietorship owned and operated by Mrs. Diggs and her husband Christopher Mulholland Diggs. H & B Paging began offering paging services such as pagers, pager accessories and maintenance on pagers in 1996.

The Company's interest in providing telecommunications services other than cellular services arose due to H & B Paging's customers requesting telephone and cellular services. H & B Paging formerly acted in the capacity as a collecting agent for a licensed telephone reseller; however, this relationship ended due to legal and contractual restrictions which prohibited H & B Paging from handling service problems and H & B Paging's inability to effectively communicate service problems to the reseller. H & B Paging's motivation to offer telephone services was motivated by its own customers who inquired as to why H & B Paging was not offering telephone services.

The officers of HBD Telecom include Mrs. Diggs, Christopher Mulholland Diggs, William Parnell Diggs, and William Issac Diggs. Mrs. Diggs and Christopher Mulholland Diggs are full-time employees of HBD Telecom. William Parnell Diggs and William Issac Diggs are attorneys who provide legal expertise, technical, and financial consulting. William Issac Diggs is licensed to practice law in North Carolina and was licensed by the Federal Communications Commission as a First Class Radio Telephone Operator Licensee.

The record reveals HBD Telecom proposes to act as a reseller of local exchange service. The Company's telecommunications' traffic will be routed wholly over the networks operated by its underlying local carriers; therefore, the Company expects the quality of service will be at least equivalent to that provided by the incumbent local exchange carrier. HBD Telecom will bill its customers directly. The Company's customer service telephone number will appear on its customers' bills. Additionally, the Company will operate a customer service department; according to the testimony, HBD Telecom is investigating obtaining a toll-free number for those customers who would currently have to dial long distance when dialing the Company's current customer service telephone number, 843-626-5254. Regarding the Company's financial ability to offer telecommunications services in South Carolina, Mrs. Diggs testified HBD Telecom's financial ability has been illustrated through the successful operation of H & B Paging over the three years immediately preceding the filing of the Company's application with the Commission.

HBD Telecom asks that it be exempt from any rules or regulations that would require it to keep its financial records in conformance with the Uniform System of Accounts. HBD Telecom seeks to maintain its books of accounts in accordance with the Generally Accepted Accounting Principles. In addition, the Company seeks a waiver of 26 S.C. Code Ann. Regs. 103-631 (1976 & Supp. 1999) so that it will not be required to publish local exchange

directories. HBD Telecom will contract with at least one incumbent local exchange carrier for the inclusion of the HBD Telecom's CLEC data base into the master customer data base of the local exchange carrier.

The testimony reveals HBD Telecom's presence in South Carolina as a telecommunications service provider will have a positive effect on the public interest. Although HBD Telecom will be a small company, the Company's size will enable it to interact with its customers on a personal, one-on-one basis. Furthermore, the Company's existence will allow it to offer services to customers who are probably otherwise unable to obtain telecommunications services. Additionally, Mrs. Diggs' testimony reveals HBD Telecom will offer its services to end-users on a non-discriminatory basis within its designated service areas; participate in the support of universally available telephone service at affordable rates; and meet the service standards that the Commission may adopt. Finally, Mrs. Diggs testified HBD Telecom will comply with South Carolina laws and with all applicable rules and regulations of the Commission.

Upon consideration of the application and the record from the hearing, the Commission makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. HBD Telecom is a South Carolina corporation that was incorporated on March 30, 2000.
2. HBD Telecom wishes to provide local exchange services within the State of South Carolina.

3. The Commission finds that HBD Telecom possesses the technical, financial, and managerial resources sufficient to provide the service requested. S.C. Code Ann. §58-9-280(B)(1) (Supp. 1999).

4. The Commission finds that HBD Telecom's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3) (Supp. 1999).

5. The Commission finds that HBD Telecom will support universally available telephone service at affordable rates. S.C. Code Ann. §58-9-280(B)(4) (Supp. 1999).

6. The Commission finds that HBD Telecom will provide services which will meet the service standards of the Commission. S.C. Code Ann. §58-9-280(B)(2) (Supp. 1999).

7. The Commission finds that the provision of local exchange service by HBD Telecom "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 1999).

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to HBD Telecom to provide competitive intrastate local exchange services within the State of South Carolina. The terms of the Stipulation between HBD Telecom and the SCTC (attached hereto as Exhibit 1) are approved and adopted as a portion of this Order. Any proposal to provide local services to rural service areas is subject to the terms of the Stipulation. In accordance with the Stipulation, HBD Telecom may not provide any local service to a customer located in a rural incumbent LEC's service area, unless or until HBD Telecom provides such rural incumbent LEC and the Commission, written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During

such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. The Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while it conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon a showing of good cause. It is specifically provided that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Order in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications as they may be entitled. If, after notice from HBD Telecom that it intends to serve a customer located in a rural incumbent LEC's service area, and the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or if the Commission institutes a proceeding of its own, no service may be provided by HBD Telecom in a rural incumbent LEC's service area pursuant to this Order without prior and further Commission approval.

2. HBD Telecom shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters. Any proposed change in the rates reflected in the tariff for local services which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1999).

3. HBD Telecom shall resell or provide the services of only those companies authorized to provide telecommunications services in South Carolina by this Commission.

4. HBD Telecom shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

5. HBD Telecom shall file annual financial information in the form of annual reports and gross receipt reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, HBD Telecom shall keep such financial records on an intrastate basis as needed to comply with the annual report and gross receipt filings. The form the Company shall use to file annual financial information with the Commission can be found at the Commission's web site at www.psc.state.sc.us/forms. This form is entitled "Annual Report for Competitive Local Exchange Carriers".

6. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs HBD Telecom to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina.

Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, HBD Telecom shall contact the 911

Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

7. The Company shall, in compliance with Commission regulations, designate and maintain authorized utility representatives who are prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the names of the authorized representatives to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

HBD Telecom shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order.

(Attachment A shall be utilized for the provision of this information to the Commission.)

Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

8. HBD Telecom requested waivers from certain Commission regulations and requirements. Specifically, HBD Telecom requested waivers from (1) the requirement found in Rule 103-631 to publish and distribute local exchange directories and (2) any requirement to maintain books and records in compliance with the USOA. The Commission grants the request for waiver from the requirement to publish directories as HBD Telecom has indicated that it will contract with the incumbent local exchange company to include the customers of HBD Telecom in the directory listing of the ILEC directory. Further, the Commission grants HBD Telecom's request that it be allowed to keep its books and records in accordance with GAAP rather than the

USOA. HBD Telecom is directed to comply with all Commission regulations, unless a regulation is specifically waived by the Commission.

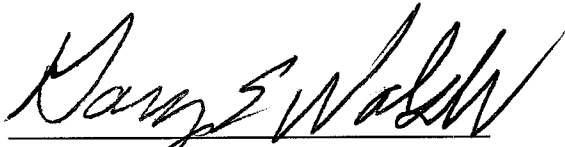
9. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Chairman

ATTEST:



Executive Director

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 2000-0204-C

Re: Application of HBD Telecom, Inc. d/b/a H&B)
Paging for a Certificate of Public Convenience)
and Necessity to Provide Local Exchange)
Telecommunications Services in the State)
of South Carolina)
_____)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and HBD Telecom, Inc. d/b/a H & B Paging ("HBD Telecom") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose HBD Telecom's Application. SCTC and HBD Telecom stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to HBD Telecom, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. HBD Telecom stipulates and agrees that any Certificate which may be granted will authorize HBD Telecom to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. HBD Telecom stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. HBD Telecom stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until HBD Telecom provides such rural incumbent LEC and the Commission with written

notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, HBD Telecom acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. HBD Telecom stipulates and agrees that, if HBD Telecom gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then HBD Telecom will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. HBD Telecom acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

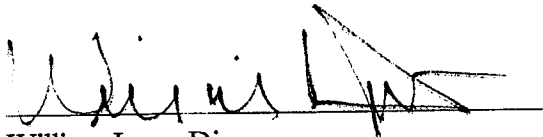
7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and HBD Telecom, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. HBD Telecom agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. HBD Telecom hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 13th day of July, 2000.

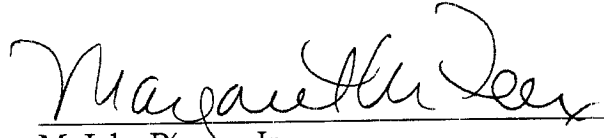
HBD Telecom, Inc. d/b/a H & B Paging:



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843-626-4243

Attorney for HBD Telecom, Inc.

South Carolina Telephone Coalition:



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(803) 799-9800

Attorneys for the South Carolina Telephone Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

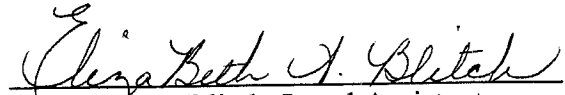
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Paging for a Certificate of Public Convenience)
and Necessity to Provide Local Exchange)
Telecommunications Services in the State)
of South Carolina)
_____)

**CERTIFICATE OF
SERVICE**

I, ElizaBeth A. Blitch, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

William Isaac Diggs, Esquire
1700 Oak Street, Suite D
Myrtle Beach, South Carolina 29577.


ElizaBeth A. Blitch, Legal Assistant
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

July 19, 2000

Columbia, South Carolina

AUTHORIZED UTILITY REPRESENTATIVE INFORMATION

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION REGULATION

103-612.2.4(b) - Each utility shall file and maintain with the Commission the name, title, address, and telephone number of the persons who should be contacted in connection with General Management Duties, Customer Relations (Complaints), Engineering Operations, Test and Repairs, and Emergencies during non-office hours.

Company Name (Including dba Name(s) or Acronyms used or to be used in South Carolina)

Business Address

City, State, Zip Code

A.

General Manager Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

B.

Customer Relations (Complaints) Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

C.

Engineering Operations Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

D.

Test and Repair Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

E.

Contact for Emergencies During Non-Office Hours (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

F.

Financial Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

G.

Customer Contact Telephone Number for Company (Toll Free)

This form was completed by

Signature

**If you have any questions, contact the Consumer Services Department (803-896-5230)
or Utilities Department at (803-896-5105).**